- failing to conduct sufficient post-market testing and surveillance of Fosamax; ¢.
- designing, manufacturing, marketing, advertising, distributing and selling d. Fosamax to consumers, including Plaintiffs, without adequate warning of the significant and dangerous risks of Fosamax and without proper instructions to avoid the harm which could foreseeably occur as a result of using the drug;
 - failing to exercise due care when advertising and promoting Fosamax; and Ĉ.
- negligently continuing to manufacture, market, advertise, and distribute f. Fosamax after Merck knew or should have known of its adverse effects without providing an adequate warning of the known or knowable side-effects of Fosamax.
- At all times herein mentioned, Merck knew, or in the exercise of reasonable 55. care should have known, that the aforesaid product was of such a nature that if it was not properly manufactured, compounded, tested, inspected, packaged, labeled, distributed, marketed, examined, sold, supplied and prepared and provided with proper warnings, it was likely to injure the product's user.
- Defendant Merck so negligently and carelessly manufactured, compounded, 56. tested, failed to test, inspected, packaged, labeled, distributed, recommended, displayed, sold, examined, failed to examine, and supplied the aforesaid product that it was dangerous and unsafe for the use and purpose for which it was intended.
- Defendant Merck negligently failed to warn of the nature and scope of .57. dangers associated with Fosamax.
- Defendant Merck was aware of the probable consequences of the aforesaid 58. conduct. Despite the fact that Merck knew or should have known that Fosamax caused serious injuries, it failed to disclose the known or knowable risks associated with the product as set forth

PERSONAL INJURY COMPLAINT

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above. Defendant Merck willfully and deliberately failed to avoid those consequences, and in doing so, Merck acted with a conscious disregard of the safety of Plaintiffs.

In all the above actions, Merck had a duty to act as a reasonable and prudent 59. pharmaceutical manufacturer of a prescription drug, breached this duty by failing to act as a reasonable and prudent pharmaceutical manufacturer of a prescription drug, and by breaching the standard of care proximately caused the Plaintiffs to suffer physical injuries and other damages. As a result of the carelessness and negligence of Defendant Merck alleged herein and in such other ways to be later shown, the aforesaid product caused Plaintiffs to sustain injuries as herein alleged. WHEREFORE, Plaintiffs respectfully request this Court enter judgment in Plaintiffs' favor and against Defendant Merck for damages in a sum in excess of the jurisdictional requirement of this Court; for Plaintiffs' costs herein incurred; for such other and further relief as this Court deems just and proper; and demands that the issues herein contained be tried by a jury.

FOURTH CAUSE OF ACTION

[Breach of Implied Warranty - Both Defendants]

Plaintiffs hereby incorporate by reference as if fully set forth herein each and every allegation in paragraphs 1 through 59, inclusive, of this Original Complaint.

- At all times mentioned herein, Defendants manufactured, compounded, packaged, distributed, recommended, merchandised, advertised, promoted, supplied and sold the aforesaid product, and prior to the time it was provided to Plaintiffs, Defendants impliedly warranted to Plaintiffs that the product was of merchantable quality and safe for the use for which it was intended.
- Plaintiffs reasonably relied on the skill and judgment of the Defendants in 61. using the aforesaid product.

PERSONAL INJURY COMPLAINT

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	62.	The product was unsafe for its intended use and was not of merchantable
puality, as v	varrante	d by Defendants in that it had very dangerous propensities when put to its
		ould cause severe injury to the user. The aforesaid product was unaccompanied
		dangerous propensities that were either known or reasonably scientifically
		ne of distribution. As a direct and proximate result of the Defendants' breach of
		iffs sustained damages as alleged herein.

- 63. The aforesaid product did cause Plaintiffs to sustain injuries and caused Plaintiffs to sustain damages as herein alleged.
- 64. After Plaintiffs were made aware that Plaintiffs' injuries were a result of the aforesaid product, notice was impractical due to the nature of the injuries and thus, the filing of suit gives notice.

WHEREFORE, Plaintiffs respectfully request this Court enter judgment in Plaintiffs' favor and against Defendants for damages in a sum in excess of the jurisdictional requirement of this Court; for Plaintiffs' costs herein incurred; for such other and further relief as this Court deems just and proper; and demands that the issues herein contained be tried by a jury.

FIFTH CAUSE OF ACTION

[Breach of Express Warranty - Merck]

Plaintiffs hereby incorporate by reference as if fully set forth herein each and every allegation in paragraphs 1 through 64, inclusive, of this Original Complaint.

65. The aforementioned manufacturing, compounding, designing, distributing, testing, constructing, fabricating, analyzing, recommending, merchandizing, advertising, promoting, supplying and selling of the aforesaid product was expressly warranted to be safe for use by Plaintiffs and other members of the general public.

PERSONAL INJURY COMPLAINT

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information and belief, these warranties were included in numerous advertisements to the public, documents prepared for physicians, documents prepared for the public and were also spoken directly to physicians by agents of Defendant Merck. Upon information and belief, Defendant Merck knew or reasonably should have known that consumers would have directly reasonably relied on these representations and/or that consumers would have indirectly reasonably relied on these representations in that their physicians would reasonably rely on these representations, and that consumers would rely on the prescription advice of their physicians acting as either their agent, fiduciary or intermediary and who were directly acting based on these fraudulent representations.

- 67. Fosamax failed to conform to the Defendant's warranties because Fosamax was not safe.
- knowledge of the purpose for which the aforesaid product was to be used and warranted the same to be, in all respects, fit, safe, and effective and proper for such purpose. The aforesaid product was unaccompanied by warnings of its dangerous propensities that were either known or knowable at the time of distribution.
- 69. Upon information and belief, Plaintiffs and Plaintiffs' physicians reasonably relied upon the skill and judgment of Defendant Merck, and upon said express warranty, in using the aforesaid product. The warranty and representations were untrue in that the product caused severe injury to Plaintiffs and was unsafe and, therefore, unsuited for the use for which it was intended. The aforesaid product could and did thereby cause Plaintiffs to sustain injuries and Plaintiffs sustained damages as herein alleged.
 - 70. As soon as the true nature of the product, and the fact that the warranty and

PERSONAL INJURY COMPLAINT

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action.

Defendant misrepresented the safety of the product, represented that the product marketed was safe for treating osteoporosis, and concealed warnings of the known or knowable risks of injury in using the product.

- When Defendant Merck made these representations about material facts it knew that they were false. Defendant made said representations with the intent to defraud and deceive Plaintiffs and with the intent to induce Plaintiffs to act in the manner herein alleged. Upon information and belief, Defendant Merck knew or reasonably should have known that consumers would have directly reasonably relied on these representations and/or that consumers would have indirectly reasonably relied on these representations in that their physicians would reasonably rely on these representations, and that consumers would rely on the prescription advice of their physicians acting as either their agent, fiduciary or intermediary and who were directly acting based on these fraudulent representations.
- 75. At the time Merck made the aforesaid representations, and at the time Plaintiffs took the actions alleged herein, upon information and belief, Plaintiffs and Plaintiffs' physicians were ignorant of the falsity of these representations, reasonably believed them to be true, and relied upon them. Upon information and belief, in reliance upon said representations, Plaintiffs were induced to, and did, use the aforesaid product as herein described. Plaintiffs' reasonable reliance on the deceptive statements resulted in Plaintiffs' injuries.
 - 76. If Plaintiffs had known the actual facts, Plaintiffs would not have taken such
- 77. The reliance of Plaintiffs and Plaintiffs' physicians on Defendant Merck's representations was justified and reasonable because said representations were made by individuals and entities that appeared to be in a position to know the true facts.

PERSONAL INJURY COMPLAINT

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78. As a result of Mcrck's fraud and deceit, Plaintiffs were caused to sustain the herein described injuries.

WHEREFORE, Plaintiffs respectfully request this Court enter judgment in Plaintiffs' favor and against Defendant Merck for damages in a sum in excess of the jurisdictional requirement of this Court; for Plaintiffs' costs herein incorred; for such other and further relief as this Court deems just and proper; and demands that the issues herein contained be tried by a jury.

SEVENTH CAUSE OF ACTION

[Fraud by Concealment - Merck]

Plaintiffs hereby incorporate by reference as if fully set forth herein each and every allegation in paragraphs 1 through 78, inclusive, of this Original Complaint, and for cause of action alleges as follows:

- 79. At all times mentioned herein, Defendant Merck had the duty and obligation to disclose to Plaintiffs and to Plaintiffs' physicians, the true facts concerning the aforesaid product, specifically that said product was dangerous and defective and how likely it was to cause serious consequences to users, including injuries and death, and how unnecessary it was to use said product for the purposes indicated when considering alternative methods of treatment. Defendant made affirmative representations as set forth herein to Plaintiffs, Plaintiffs' physicians and the general public prior to the date Fosamax was provided to Plaintiffs, while concealing material facts mentioned herein.
- 80. At all times mentioned herein, Defendant had the duty and obligation to disclose to Plaintiffs and Plaintiffs' physicians the true facts concerning the aforesaid product; that is, that use would cause injuries including but not limited to osteonecrosis and/or osteochemonecrosis.

PERSONAL INJURY COMPLAINT

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	81.	At all	times here	in me	entioned,	Defen	dant M	erck it	ntentionally	, wi	lifully and
maliciously	conceal	ed or s	uppressed	the f	facts set	forth	herein	from	Plaintiffs	and	Plaintiffs
physicians v	vith the i	intent to	defraud as	herei	n alleged	4					

- 82. At all times herein mentioned, neither Plaintiffs nor Plaintiffs' physicians were aware of the facts set forth above, and had they been aware of said facts, they would not have acted as they did, that is, would not have used the product.
- 83. As a result of the concealment or suppression of the facts set forth above, Plaintiffs suffered injuries as set forth herein.
- 84. That at all times herein mentioned, Defendant intentionally and willfully concealed or suppressed the facts set forth herein from Plaintiffs' physicians and therefore from Plaintiffs, with the intent to defraud Plaintiffs as herein alleged.
- 85. At all times herein mentioned, neither Plaintiffs nor Plaintiffs' physicians were aware of the facts set forth above, and had they been aware of said facts, they would not have acted as they did, that is, Plaintiffs would not have ingested Fosamax.
- 86. As a result of the concealment or suppression of the facts set forth above, Plaintiffs suffered injuries as set forth herein.

WHEREFORE, Plaintiffs respectfully request this Court enter judgment in Plaintiffs' favor and against Defendant Merck for damages in a sum in excess of the jurisdictional requirement of this Court; for Plaintiffs' costs herein incurred; for such other and further relief as this Court deems just and proper; and demands that the issues herein contained be tried by a jury.

EIGHTH CAUSE OF ACTION

[Unjust Enrichment - Both Defendants]

Plaintiffs hereby incorporate by reference as if fully set forth herein each and every

PERSONAL INJURY COMPLAINT

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allegation in paragraphs 1 through 86, inclusive, of this Original Complaint, and for cause of action allege as follows:

- 87. As a direct, proximate, and foreseeable result of Defendants' acts and otherwise wrongful conduct, Plaintiffs were gravely harmed. Defendants profited and benefited from the sale of Fosamax, even as it injured Plaintiffs.
- 88. Defendants have voluntarily accepted and retained these profits and benefits derived from consumers, including Plaintiffs, with full knowledge and awareness that, as a result of its unconscionable and intentional wrongdoing, consumers, including Plaintiffs, were not receiving products of the quality, nature, fitness or value that had been represented by Defendants or that reasonable consumers expected. Plaintiffs purchased and ingested medicine that they expected would improve their health, and instead found their health destroyed.
- By virtue of the conscious wrongdoing alleged in this Complaint, Defendants have been unjustly enriched at the expense of Plaintiffs, who are entitled to in equity, and hereby seek, the disgorgement and restitution of Defendants' wrongful profits, revenue, and benefits, to the extent, and in the amount deemed appropriate by the Court; and such other relief as the Court deems just and proper to remedy Defendants' unjust enrichment.

WHEREFORE, Plaintiffs respectfully request this Court enter judgment in Plaintiffs' favor and against Defendants for damages in a sum in excess of the jurisdictional requirement of this Court; for Plaintiffs' costs herein incurred; for such other and further relief as this Court decans just and proper; and demands that the issues herein contained be tried by a jury.

PUNITIVE AND/OR EXEMPLARY DAMAGES

90. Clear and convincing evidence exists that the above described actions of Defendant Merck was committed oppressively, fraudulently or with malice or oppression. The

PERSONAL INJURY COMPLAINT

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wrongful conduct for which Plaintiffs seek punitive damages was committed knowingly and/or authorized or ratified by an officer, director or managing agent of the Corporation. Therefore, Plaintiffs specifically request that the Court submit jury questions on issues of Defendant Merck's conduct to support punitive and/or exemplary damages in the maximum amount allowed by California law. 6 COMPENSATORY DAMAGES 7 As a direct and proximate result of the actions of Defendants, Plaintiffs have 8 91. suffered the following damages in excess of the jurisdictional requirements of this court: 9 10 Medical expenses incurred in the past and those reasonable and necessary 11 expenses to be incurred in the future; 12 Lost wages and earnings, past and future; b. 13 Physical pain and suffering endured in the past and that likely to be suffered 14 G. 15 in the future; 16 Mental anguish and emotional distress suffered in the past and that likely to đ. 17 be suffered in the future; 18 Physical impairment suffered in the past and that likely to be suffered in the 19 ¢. 20 future; 21 £ Disfigurement, past and future; 22 Purchase costs; g. 23 Such other damages to which Plaintiffs are entitled in law or equity. h. 24 25 LOSS OF CONSORTIUM 26 At all times relevant hereto, Plaintiff Tom Paxton was married to Plaintiff 92. 27 Cora Paxton and were and are now husband and wife. 28

PERSONAL INJURY COMPLAINT

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93. Prior to the negligence and wrongful conduct of Defendants, and each of
hem as set forth above, Plaintiff Cora Paxton was able to and did perform her normal and typical
duties as a wife. Subsequent to the severe and disabling injuries suffered by Plaintiff Cora Paxton
as a result of said negligence and wrongful conduct, and as a direct and legal result of the injuries
caused thereby, she has been unable to perform her normal and typical duties as wife. As a direct
and legal result of Cora Paxton's inability to perform her duties, Plaintiff Tom Paxton has suffered a
loss of consortium as defined by law, including the loss of his wife's physical assistance in the
operation and maintenance of their home, and he has further been deprived of and will in the future
be deprived of his wife's comfort, society, solace and support. By reason thereof, Plaintiff Torn
Paxton has been deprived of Plaintiff Cora Paxton's necessary duties as a wife, all to his further
damage in a sum in excess of the jurisdictional limits of this Court. Plaintiff Tom Paxton is
informed and believes, and based thereon alleges, that the injuries sustained by Plaintiff Cora
Paxton will result in some permanent deprivation of her work and services as a wife, all to his
further damage.

94. As an actual, legal and direct result of the negligence of the Defendant, Plaintiff Tom Paxton has suffered damage.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief from Defendant as follows:

- 95. In support of said damages, Plaintiffs incorporate by reference all preceding and following paragraphs as if fully set forth herein and further allege as follows:
 - For general damages in a sum in excess of the jurisdictional minimum of this
 Court;
 - b) For special damages in a sum in excess of the jurisdictional minimum of this

PERSONAL INJURY COMPLAINT

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.₁∥	Court;
2	c) For compensatory damages in excess of the jurisdictional minimum of this
3	Court;
4	d) For consequential damages in excess of the jurisdictional minimum of this
5	Court, according to proof;
6	e) Medical, incidental, and hospital expenses according to proof;
8	 f) Future medical, incidental and hospital expenses according to proof;
9	g) Prejudgment and post judgment interest as provided by law;
10	h) Full refund of all purchase costs Plaintiffs paid for Fosamax;
11	i) Punitive damages;
13	j) Attorneys' fees, expenses and costs of this action; and
14	k) Such further relief as this Court deems necessary, just and proper
15	DEMAND FOR JURY TRIAL
16	96. Plaintiffs demand a jury trial in this action.
17	DATED: July 11, 2007
18	
19	FEINBERG GRANT MAYFIELD KANEDA & LITT, LLP
20	By: Joseph Kaneda, Esq. SBN 160336
21	2 San Joaquin Plaza, Suite 180
22	Newport Beach, CA 92660
23	
24	Of Counsel:
25	William B. Curtis, Esq., TX SBN 00783918
26	MILER CURIE & WEISHOOD, D.D
27	11551 Forest Central Dr., Suite 300 Dallas, TX 75243
28'	<u> </u>
•	Personal injury complaint Page 28 of

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EXHIBIT "5"

NOT 27 2002

UNITED STATES DISTRICT COURT MESTERN DISTRICT OF PASHINGTON RT SEATTLE

IN RE: PHENYLPROPANGLAMINE (PPA) PRODUCTS LIMBILITY LITIGATION,

HDL NO. 1407

GROER DESIGNED PLAINTIFF'S HOTION TO REMAND

This document relates to:

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Barnert, et al. v. American Home Froducts Corp., et al., No. CO2-423R)

THIS MATTER comes before the court on the motion of plaintiffs to remand the case to state court in Mississippi. Having reviewed the papers filed in support of and in opposition to this motion, the court rules as follows:

I. BACKGROUND

Plaintiffs purchased a variety of over-the-counter drugs including, but not limited to, products sold under the trads names "Robitussin," "Alka-Seitzer Plos," "Dimetapp," "Tavist D," "BC," "Triaminib," "Contra," "Contrax," and "Equate Tussin OF," All of these products contained the ingredient phenylpro-psuclaming ("FFA"), The individuals later communed the medication and suffered unidentified types of injuries. In June 2001, plaintiffs filed an amended complaint in Rississippi state court linking the FFA in the medicine with the injuries sustained.

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The compleint alleges numerous causes of action against both manufacturers and distributors of PPA-containing products, as well as esveral retail stores that sold those products. One of the stores named as a defendant, Bill's Dollar Stores, Inc., d/b/a Bill's Dollar Store ("Bill's Dollar Store"), is a Mississippi corporation. Two of the six total plaintiffs purchased PPA-containing products from Bill's Dollar Store.

Defendants removed the complaint to federal pourt alleging that plaintiffs transvently joined Bill's Dollar Store. Flaintiffs moved to remand to state court. The case was later transferred to this court as part of a multi-district litigation ("MPL").

II. AMALYSIE

A plaintiff cannot defeat federal jurisdiction by fraudulently joining a non-diverse party. As an MDB court sitting in the Minth Circuit, this court applies the Minth Circuit's fraudulent joinder standard to the sotion to remand. Sha. a.d., In.fr Diet bruce Frods. Liab. Litin., 220 F. Supp. 2d 414, 423 (E.D. Pa. 2002); In re Bridgestons/Fibestohn, 201 P. Supp. 2d 1149, 1152 n.2 (8.D. Ind. 2002); In re Tobanco/Gov'tal Health Care Donts Litin., 100 F. Supp. 2d 31, 34 n.1 (0. D.C. 2005); In re

"pefendants assert the misjoinder of these plaintiffs" oldies and request that the court sever and dany remand as to the four plaintiffs who did not purchase any products from Bill's Poller Store, or from any other Mississippi store. However, because, as discussed below, the court debies remand as to all plaintiffs named in this action, the board need not address the quantion of misjoinder at this time.

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Ford Motor Co. Bronco II Prode. Idab. Litie., MDE-991, 1996 U.S. Dist. LEXIS 6769, at "Z-4 (t.D. Le. May 16, 1996)." Under this standard, joinder of a non-diverse party is desired freedulant ""[1] If the plaintiff Eails to state a cause of action against a resident defendant, and the failure is obvious according to the settled rules of the state." Horris. Princess Cruisos. Inc., 296 F. 3d 1061, 1067 (9th Cir. 2001) (quoting MoCabe v. General Poods Carp., 811 F.2d 1336, 1339 (9th Cir. 1987)]."

The propriety of removed to federal boart is determined from the allegations in the complaint at the time of removal. Enn Ritchey v. Spricks Drum.Co., 139 F.3d 1313, 1318 (9th Cir. 1998) However, in the case of fraudulent joinder, the defendent "is entitled to present the facts showing the joinder to be fraudulent." Id. (quoting McCabb, 811 F.2d at 1319). See also Morris

*See generally Minowitz v. Brown, 991 V.2d 36, 40-41 (2d Cir. 1993); In Re Roteen Airlines Dieaster, \$29 F.2d 2171, 1174-76 (b.c. Cir. 1987).

However, as a pregistal matter, application of the Fifth Circuit's freedulent joinder standard would not also the opent's conclusion. See Sadon v. Bin Nabiaco. Inc., 224 f. 3d 302, 393 (5th Cir. 2000) iremend is denied where there is 'no reasonable basis for predicting that plaintiffs might establish liability. against the in-state defendants.') for example, rebent MID. courts williand framewhent joinder standards winlike, and in one case identical, to the fifth firouit's standard in deeming wiskaisippi pharmacies and their employees frampulately joined for reasons similar to those expressed in this spinion. Eas In the Dist Brown Prods. Lish. Liftus. 229 f. Supp. 2d at 423-24 (noting that there had been 'n pattern of pharmacies being named in complaints, but never purated to judgmant, typically being the complaints, but never purated to judgmant, typically being to remove the case has suphrad'); In re Resulin Prods. Lish. Littus, 133 F. Supp. 2d 272, 279 t n. S. 289-92 (5.0.8.2. 2001).

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22 23 24 1 236 P.3d at 1067-68 (citing <u>Cavallini v. State Farm Het. Auto.</u>
2 <u>Ipm. Co.</u>, 44 P.3d 256, 263 (5th Cir. 1895) for the proposition
3 that the court may ""plere[e] the pleadings" and consider
4 "summary judgment-type evidence.")

Defendants allege that plaintiffs fraudulently joined Bfil's Dollar Store, while plaintiffs claim the existence of legitimate causes of action against Bill's Dollar Store, including products liability, negligence, misrepresentation, and implied warranty plaims. The parties also argue as to the relevance of a bank-ruptcy petition filed by Bill's Dollar Store prior to the Ciling of this suit.

A. Products Liability

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The complaint contains failure to warn and design defect allegations pursuant to the Mississippi Products Liability Act.

Miss. Code Ann. S 11-1-63. Under the Products Liability Act.

Plaintiff must show that at the time the product left the control of the manufacturer or seller, it was defective in failing to contain adequate warnings or instructions, and/or was designed in a defective manuer. Miss. Code Ann. S 11-1-63 (a) (1) (2)-(3).

Plaintiff must also show that the manufacturers and sellers knew, or in light of reasonably systlable knowledge or the exercise of reasonable care should have know, about the danger that caused the alleged damage. Miss. Code Ann. S 11-1-63 (c) (1), (f) (1).

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^{*}See also Buff v. Shoosmith, Inc., 186 So.2d 383, 387 Miss. 2001) ["Mith the adoption of 11-1-53, common law strict liability, at laid out in State Store Miy. Co. v. Modges, 189 So.3d 113

Plaintiffs allege in the complaint that "defendants" or "all defendants" knew or should have known of dangers associated with PFA. Horsover, plaintiffs specifically arer this knowledge or reason to know on the part of the retailar defendants, including Bill's Dollar Store. However, the copyr finds that so factual basis can be drawn from the complaint that Mill's Dollar Store had knowledge or reason to know of any dangers allegadly associated with PFA.

First, the complaint utilizes the plural "defendants" in a number of allegations that one could not reasonably interpret to include Sill's Dollar Store. Sec. A.c., Louis. v. Synth-Arment. Pharm., Inc., No. 5:0004102LM, slip op. at 5-9 (S.D. Miss. Sep. 25, 2000) (finding products liability ellegations lodged against "defendants" conclusory where there was no factual support for ponclusion that Mississippi pharmacies had knowledge or reason to know of alleged dangers associated with various diet drugs)."

(Miss, 1956), is no longer the authority on the necessary elements of a products liability action.")

'Sas alan in re Dist Drupe Frods, Lish Litto, 220 f. Supp.

20 at 424 (finding complaints, including failure to warm, begligenue, breach of warranty, and writet lishfifty climins, devoid of specific allegations against Missishippi pharmacies and "filled instead with general starments levied spilms all defendants, which most properly can be read as stating climin equinat damy manufactories." It is a Regulia Francis Lish. Litio., 188 f. Supp. 2d at 291 (finding improper joinder in cash where Missishippi pharmacies were lamped in with manufactories and where Missishippi pharmacies were lamped in with manufactories and where alleged, including failuit to warm, breach of warranty, and frand, ware attributed to "'defendants' generally", but naver commercial to the pharmacies); acquird Badon, 221 F.3d at 391-93 ("While the smooded complaint doss often may the uprof

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1 For example, the complaint describes "defendants" as pumbers of the Mon-Prescription brug menufacturers hespeistion ("MORA"). Through this association, "defendents" purportedly participated in numberous discussions relating to the exfety of FRA over the past two decades, had representatives alt on the Mois PPA Task Porce, and funded relevant studies. In other words, plaintiffs, in significant part, dimonstrate "defundants" knowledge as to Fishs allegedly posed by PPR through activities sugaged in by manufacturer defendants alone.

Indeed, while "defendants" are alleged to have been sware or to have had responsibility for surreness of superous scientific journal articles, incident reports, medical textbooks, and other reports containing information as to risks of FFA communation. gandral medical practitioners are excluded from this evarances and described as being not "fully informed." The openhaint supplies no factual support for a conclusion that a dollar store possessed medical and scientific knowledge beyond that possessed by medical practitioners.

Second, the complaint specifically lays the responsibility for allegedly concesting dangers posed by FPA on the manufacturer defendants. For example, the complaint alleges that the manufactoret defendante concealed material facts regarding PPA through product packaging, labeling, advertising, promotional examplique

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[&]quot;defendants," frequently it is evident that such usegs could not be receiving to the "Topecoo Wholekelers."; finding openizary 25 allogations against Louisiana defendants entirely general).

and materials, and other methods. This allegation directly underwines and contradicts the idea that Sill's Dollar Store had knowledge or reason to know of alleged defects. Sag. m.g... Louis, ellip op. at 4-5 [finding complaint's "major those" to consist of the "manufacturets" intentional conceptant of the true risks of the drug(s), coupled with dissemination through various media of falst and misleading information of the safety of the drug(s) at issue, [which belied] any suggestion of knowledge, or reason to know by [the] resident defendants,"] Cf., In. sa Sagulia Producta Mah. [dtig., 133 ?. Supp. 2d 272, 290 (S.D.H.Y. 2001) (finding Mississippi pharmacies facing failure to warn claims fraudulently joined where "the theory underlying the complaints [was] that the manufacturer defendants hid the dangers of Rotelin from plaintiffs, the public, physicisms, distributors and pharmacists — indeed from everyone.")

In sum, the court concludes that one could not reasonably read the complaint to support the idea that the retailer defondants had knowledge or reason to know of any dangers silegedly essectiated with PPA. Indeed, reading the complaint as a whole, this allegation reveals itself as directed towards the manufacturer defendants alone. As such, the wourt finds that plaintiffs fail to state a products liability cause of action against Bill's Dollar Store.

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The complaint once alludes to an "alternative" breach of supress varianty claim under the Products Liability Act. Sch Hina. Code Ann. S 11-1-63 (a) (1) (4) (requiring a showing that the

Hegligence and Misrapresentation

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The complaint alleges has ligance and misrepresentation by Bill's Dollar Store. A negligence cause of action slee inquires a showing of knowledge or reason to know on the part of the seller. Ecc. R. C. inton Constr. Co. Y. Evant i Bourss.

Eng., 442 f. Supp. 838, 851 (M.O. Hiss. 1973) ("The rule is well settled that in order to fasten limbility upon a party for negligence, it must be shown by a preponderance of the evidence that he know or through the exercise of consensable care should have known that his scientist of a (product) would cause damage to his customer.") A misrepresentation cause of action requires

selier brenched an express warranty or failed to conform to other express factual representations upon which the claiment relied). However, the products liability ellegations go on to touch solely upon failers to wern and design defact claims. Because the promption have any factual basis for support of a breach of express varranty claim against Sil's Doller Store, the court also finds this here allegation insufficient to support remand.

Thought Lowis, alip op. at 3-4 a m.3 ("[K]moviedge, or a reason to know, is also a metambary requisits for any claim of failure to warn or negligenos that a plaintist might undertake to sakert extransons to a claim under the Products Limitity Rot strengly speaker (assuming speak for the sake of artument that such a claim could exist."); Cadillac Carm. T. Hours. 320 Sp.24 Sci. AFS [Miss. 1975] (discussing negligence in "vendor/purchaser" contact and stating that "fault on the part of a defendant so as commercial tieble is to be found in action or consection; to funder him lieble is to be found in action or consection; accommended by knowledge, actual or implied, of the probable result of his conduct.") Cf. Moore v. https://discrete fallogs.ck.
Sulfaget. 825 Bo.2d SSG. SG4-65 (Hims. 2002) (entending "learned intermediaty" doctring to pharmodists in case involving prescription drug, and holding no actionable negligenos claim pould exist against a pharmody unlarge a plaintiff indisputably informed the pharmacy of health problems which contraladionated the use of the drug in question, of the pharmodist filled

ORDER Page - 8 - s plaintiff to show:

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(1) a representation; (2) its felsity; (3) its esterislity; (4) the speaker's knowledge of its falsity or
ignorance of its truth; (5) the speaker's intent that
the representation should be acted upon by the hearer
end in the manner reasonably contemplated; (5) the
hearer's ignorance of its felsity; (7) the hearer's
rollages on its tenth; (8) the hearer's right to rely
thereon; and (9) the hearer's consequent and proximate
injury.

Johnson v. Parks-Davis, 114 F. Supp. 2d 522, 525 (S.D. Miss. 2000) (citing allen t. Mag Tools, Inc., 671 50.26 616, 642 [Miss.

Again, the opert finds that the general and contradictory ellagetions in the complaint do not support the existence of any knowledge or remeon to know on the part of Bill's Dollar Store to support a negligence cause of action. The court fieds the complaint similarly bereft of any factual support for the idea that Bill's Dollar Store made any missepresentations whatsoever to plaintiffs regarding the PPA-pontaining products. Has, a.q., Johnson, 114 F. Supp. 2d at 525 ("Suffice it to say that Plaintiffs have no proof . . . that any of the named [Mississippl] representatives sade any representations directly to any of the 19 20 Plaintiffs. Thus, none of the Plaintiffs was the 'hearer' of any of the sales copresentatives' alleged misrepresentations.": 22 finding plaintiffs had no cause of action for misrepresentation). Instand, as discussed above, the complaint attributes this

procriptions in quantities inconsistent with the recommended dosage guidalines),

OFDER Page - 9 behavior to the manufacturing defendants alone. As such, the court also finds that plaintiffs fail to state regligence and misrepresentation causes of action against Bill's Collar Store.

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the complaint also alleges that Bill's Dollar Store breached implied warranties of morchantsbility and fitness for particular purposs. Son Hiss. Code Ann. \$5 76-2-314, 315. The complaint accuses "defendents" of breaching the implied warranty of maxchantability in failing to adequately label containers and packages containing PPA; and because the products sold failed to conform to promises or affirmations of fetts made on the containers or lebels. Esh Miss. Code Ahm. \$ 75-2-314 (2)(e)-(f). The complaint acquases both manufacturers and sellers of breaghing the implied warranty of fitness for particular purpose where they had teason to know of the particular use of the products, and the 16 purchasers relied on the sellers' still or judgment in selecting . 17 and furnishing suitable and safe products. Am Hiss. Code Ann. \$ 76-2-315.

In order to recover for breach of implied warranty, a buyer "must within a resomable time sites he discovers or should have discovered any breach notify the seller of breach or be barrod 22 from any remady." Miss. Code Arm. 5 75-2-697 (3) (a); accord C.R. Cantels, Inc. v. Tazoo Mfg. Co., 641 F. Supp. 205, 210-11 (8.0. Miss. 1986): Shat v. Rosers-Dinous Charrolet. 585 90. 2d 725, 730-31 [Hibs. 1991]. Here, the complaint contains no indication that plaintiffs provided Bill's Bollar Store with any notice as **GRDE**R Page - 10 -

to an alleged breach of warranty prior to the institution of this lawspix.

Additionally, with respect to the merchantebility claim, the complaint contains no fectors support for a conclusion that Bill's Dollar Store was in any way involved with the labeling and/or packaging of the products at issue. Instead, the complaint alleges that the manufacturer defendants concessed material facts regarding PPA through product packaging and labeling.

The court likewise finds plaintiffs' fitness for particular purpose allegation inhufficient. "Missinsippl does not recognize an implied warranty of fitness for a particular purpose when the good is purchased for the brdinary purpose of a good of that kind." Farris v. Colemas Co., 121 F. Supp. 2d 1914, 1918 (M.D. Miss. 2000) (fitness for particular purpose claim failed where plaintiff purchased cooler to keep food and beverages cold - the ordinary purpose for which a cooler is used). More, plaintiffs attented that they purchased PPA-containing products to remedy their "cold, flu, sinus and/or allergy symptoms" - the ordinary purpose of these medications.

Therefore, for the reasons stated above, the pourt finds that plaintiffs fail to state implied warranty causes of action equinst Bill's boller Storm.

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Bill's Doller Store filed a bankruptcy petition in Tebruary 2501, neveral months prior to the filing of plaintiffs' complaint. The filing of the bankruptcy petition operates as a stay onder on judicial or other proceedings brought against Bill's bollar store that were or could have commenced prior to the commencement of the bankruptcy proceeding. See 11 U.S.C. 5 362(a): In Ed. Cajun Elec. Power Co-Co. Inc., 185 F.3d 446, 457 (5th Cir. 1999).

Plaintiffs argue that the automatic stay poses no berrier to redief given that they were unawars of the bankruptcy patition at the time they filed their complaint, and because they anticipate that the Bankruptcy Court will agree to their pending request to lift the stay. Mosever, whether or not plaintiffs knew of the patition and whether or not the stay may later be lifted, the fact remains that, at the time plaintiffs filed their complaint, the stay operated to prohibit their lawsuit. As noted above, the court determines jurisdiction based on the claims as stated at the time of removal. As such, the court finds the existence of the stay at the time of filing serves as an additional reason to deny remand of this matter to state court. Ef. Ritcher, 130 F.3d at 1319-20 (denying remand where the statute of limitations had expired at the time plaintiff filed the complaint).

LIL CONCLUSION

The court concludes that plaintiffs fall to state a cause of action against the only non-diverse defendant, and that the

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^{*}Unlike in a number of other cases transferred to this HOU, the defendance here did not supply the court with any summary judgment-type avidence to establish the retailer defendant's fraudulant joinder. Accepte, the court nonetheless finds that a plain reading of the complaint does not allow a omclusion that plaintiffs state a cause of action squiner sill's solice Stare,

failure is obvious accounding to the settled rules of Hidrissippi. As such, the court finds Bill's Dollar Store Transportly joined and DENIES plaintiff's motion to remand the case to the state courts of Hisriesippi.

DATED at Seattle, Meshington this 25th day of Movember,

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BARBARA JUDIOS BOTRATELIA UNITED STATES DISTRICT JUDIOS

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EXHIBIT "6"

APR 28 BUB

United States district court Central district of California Western Division

In to REZULIN LITIGATION

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KAYE SCHOLERUP

CASE NO. CV 03-1647-R(RZx)

ACKIE BARLOW: CARMA DEKOVEN: BRNESTINE DELAPONT, ZOE EUGER-MUKARYTZ: and SAMUEL OODBOULDT.

DENTING MAINTIFPS

Plaintiffs,

WARNER-LAMBERT CO.: PPIZER INC.: JERROUD OLEPSKY: McKESSON CORP.

Defendants.

Defendants removed this action from state court to this Court alloging diversity jurisdiction. Defendants asserted that Jerrold Olofsky and McKesson Corp., both of whom are California residents, were fraudulently joined. Plaintiffs moved to remand to state court. The motions came on for hearing by the Court on April 21, 2003.

Having considered the motions and other documents in support of and in opposition to the motions, having heard the arguments of counsel, and being fully advised in the matter, the Court denies the motion.

The Copyr finds that Dr. Jerrold Clerkly ("Dr. Olefrky"), a patent-holder and clinical investigator, tweed no legal duty to any of the plaintiffs, and, therefore, them is no possibility that the plaintiffs can prove a cause of action against Dr. Clefiky, Thus, Dr. Olefeky must be disregarded for purposes of determining federal discretity

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Exhibit B Page 16

jurisdiccion.

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The Court further finds that there is no possibility that plaintiffs could prove a cause of action against McKesson, an entity which distributed this FDA-approved medication to pharmacists in California. Pursuant to comment k of the Restatement (Second) of Turts Section 492A and California law following comment k, a distributor of a prescription drug is not subject to strict liability.

Accordingly, this Court but diversity jurisdiction over each of these actions. The motion to remand is desired.

IT IS SO ORDERED.

Deted: April 28, 2003

MARIUEL L. MEAL

MANUEL L. REAL UNITED STATES DISTRICT JUDGE

Submitted by:

O'DONNELL & SHAEFFER LLP 313 West Fifth Street, Suite 1700 23 Angeles, California 90071

Moder Harnet
Amoneys for Defendant
WARNER-LAMBERT COMPANY and PRIZER INC.

THOUSANTE

Exhibit 8 Page 17

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EXHIBIT "7"

Lagran 2 3 771-17 SF SK 5 6 UNITED STATES DISTRICT COURT 7 CENTRAL DISTRICT OF CALIFORNIA 8 WESTERN DIVISION ٠ ٥ In re REZULIN LITIDATION CASE NO. CV 03-1643-R(RZx) 10 DIANESKINNER; and DIANE YEARRA, 11 Plaintiffs, KAYE SCHOLERUP 12 13 14 15 Defendants. 16 17 18 19 20 to state court. The medious came on for hearing by the Court on April 21, 2003. 21

Defendants removed this action from state court to this Court alleging diversity jurisdiction. Defendants asserted that Jorrold Olefsky and McKesson Corp., both of whom are California residents, were translutently joined. Plaintiffs moved to remand

Having considered the motions and other documents in support of and in opposition to the motions, having heard the arguments of counsel, and being fully advised in the matter, the Court denies the motion.

The Court finds that Dr. Jernild Olafaky ("Dr. Olafaky"), a patent-holder and clinical investigator, owed no legal duty to any of the plaintiffs, and, therefore, there is no possibility that the plaintiffs can prove a cause of action against Dr. Olefsky. Thus, Dr. Diefsky must be disregarded for purposes of determining federal diversity Jurisdiction.

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The Court further finds that there is no possibility that plaintiffs could prove a cause of action against McKesson, an entity which distributed this FDA-approved 2 medication to pharmacists in California. Pursuant to comment k of the Restmement 3 (Second) of Torm Section 402A and California law following comment k, a distributor of a prescription drug is not subject to staic liability. Accordingly, this Court has diversity jurisdiction over each of these actions. The motion to temand is decied. IT IS SO ORDERED. Direct: April 22, 2003 11 KAYE SCHOLERUP 12 Submitted by: 13 14 15 16 17 18 19 30 21 DMPANY and PFFZER INC. **72** 2) 24 25 26 27

EXHIBIT "8"

with the United States District Court, Northern District of California. In its removal potition, Bayer asserts that Plaintiff falled to state a cause of action against Longs Orug. and that the court therefore had jurisdiction over Plaintiff's Complaint based on diversity of citizenship under 28 U.S.C. \$ 1332(a). Bayer contends that fraudulantly jurisdiction.

Document 5-3

On October 12, 2004, Plaintiff filed a First Amended Completet in California state count. In the Amended Completet, Plaintiff withdraw her products liability claim against Longs Orag, adding a professional negligence claim in its place.

Standard

Remand to state pourt is proper if the district court lacks subject matter

Jurisdiction over the asserted claims. 28 U.S.C. § 1.447(c). In reviewing a motion to

remand, the court must resolve all doubts in fevor of a remand to state court, and the

perty opposing remand has the burden of esphishing federal jurisdiction by a

prependerance of the evidence. In a Business Man's Assurance Co. of America. 992

F.2d 181, 183 (8* Cir. 1983)(citing Steel Valley Auth. v. Linion Switch & Signal Div., 109

F.2d 1006, 1010 (3** Cir. 1887) cart. sismissed 484 U.S. 1021 (1986)).

Freudinently Joined defendents will not defeat diversity jurisdiction. Rinchey v. Limichin Drag Company. 139 F.3d 1313, 1348 (B* Cir. 1998). "Freudulent joinder exists if, on the fees of plaintiff's state sount pleasings, no cause of action lies against the resident defendant." Anderson v. Home insurance Company. 724 F.2d 82, 84 (8* Cir. 1993). Dismissel of freudulently Joined non-diverse defendants is appropriate. When v. Combini indemnity Corp., 280 F.3d 888, 871 (8* Cir. 2002).

initially, in determining the propriety of remand, the Court trust review
plaintiff's pleading at the time of the patition for removel. Pullman.Co. x. leaking. 305

U.5. 534, 537 (1939). In addition, a plaintiff may not amend her complaint in order to state a claim against a nondiverse defendent in order to divest the federal court of jurisdiction. Cavallini x., State Farm Mutual Auto-Insurance Co., 44 F.3d 256, 255 (Fed. Cir. 1995). See also, Henderson x. Shell Oil Co., 173 F.2d 940, 842 (8th Cir. 1949) (federal court has power to amend petition after removal, but such power does not extend to elimination of jurisdictional defects present in the state court action). The Court will thus look to the original Complaint to determine whether Longs Drug has been fraudulently joined.

the fallure is obvious according to settled rules of law of the state in which the action was brought, the joinder of the non-diverse defendant is deemed to be freuchdent. Rischey v. Unjoins Davy Comosny, 139 F.3d 1313, 1318 (9th Cir. 1998). Beyer argues that a retail pharmacy cannot be hold strictly flable for injuries seased by a defective drug porseent to California law. Musping v. E.R. Southb & Sons, Inc., 40 California 672, 675-681 (1985). It appears that Plaintiff does not dispute this principle, as is evidenced by the fact that Plaintiff strengted to amend her Complaint to withdraw this cause of action against Longs Drug. In addition, larger argues that Plaintiff's negligence claim against Longs Drug also falls to state a claim. The Complaint alleges that Longs Drug was highlight to provide adequate warnings of the dangers posed by Baycol and that Longs Drug concealed specific knowledge concerning Baycol from Plaintiff.

Complaint I 35. However, the Complaint further states that Longs Drug dispensed

Projectiff provides the Coart so extingity for her agrament they the Court should took to pleading!

Bied in state your efter the pies has been released. Bucase Pielest? interrupted to the histories Also, as an Complete to state given, after the piese west retained to Scient score, the thing yets hearteday. Also, as an arrower has been that, Pielest arows spek leave of the Court to the the Piest Amended Complete. Pleasett has not chosen, however.

Baycol to Plaintiff on March 24, 2001, kd. 19 15 and 16. The Complaint further alleges that prior to May 21, 2001, Bayer did not advise physicians and drugstones of the problems it encountered with Baycol, and did not advise physicians or drugstones that the 0.6 mg. dosage of Baycol was potentially dangerous, even fatal. kd. 9 13. Thus, the allegations in the Complaint defeat her negligence claim against Longs Drug, as a defendant cannot be held flable for failing to warn of unknown risks. Mentill Y. Neveger, inc., 26 Cal.4th 465, 485 (2001).

Based on the above, the Court finds that Bayer has mat its burden of showing that Longs Drug was fraudulently joined, as it is obvious based on the face of the Complaint, that no cause of action was alleged against Longs Drug.²

Accordingly, IT IS HEREBY ORDERED that:

- 1. Plaintiffs' Motion to Remand is DENIED.
- 2. Defendant Longs Drug Stores, Inc. Is DISMISSED.

Date: May 24, 2002

Michael J. Davis
United States District Court

Because the Court Reds that Living Gray was finadulately Johns, Longs Drug's Calums to someth to remove does not render the publica to remove buffering. <u>Function</u>. <u>Function</u>. <u>Function</u> 600, 846 F.2d 1180, 1193, n. 1 (10 Cir. 1081), <u>Support Technology LIC v. Dalle Cirks Payent had Corp., Livi.</u> 169 F.Supp. 2d 1146, 1152, RVD. Cal. 2009.

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